

DEPARTMENT OF SOCIAL SERVICES

744 P Street, Sacramento, California 95814



December 10, 1992

ALL COUNTY INFORMATION NOTICE NO. I-66-92

SUBJECT: MEDICAID FUNDING OF THE IN-HOME SUPPORTIVE SERVICES (IHSS) PROGRAM

The purpose of this letter is to transmit a copy of IHSS legislation recently passed and to inform you of the preliminary planning on the Personal Care Option (PCO). While activities at the State level are in an early stage, we anticipate much interaction with counties on PCO planning, beginning with a meeting with County Welfare Directors Association (CWDA) representatives which has been scheduled for December 11, 1992. PCO programs must be approved by Department of Finance (DOF) and cost neutral to the State and counties before implementation can proceed. However, we believe it is important for counties to begin to consider their needs and probable costs associated with future implementation. We hope that this advance notice will allow you to anticipate the implications of implementation of PCO.

Chapter 939, Statutes of 1992 (AB 1773, Moore), was filed on September 28, 1992 (see Attachment A for reference). This bill required the State Department of Health Services (DHS) to submit a State Plan Amendment (SPA) to include a portion of the IHSS Program as a covered service under Medi-Cal as a medicaid PCO. Both Program and administrative costs are subject to medicaid reimbursement. Implementation of the PCO changes are dependent upon Health Care Financing Administration (HCFA) approval of the SPA and DOF certification that PCO, as approved by HCFA, is cost beneficial to the state and counties.

DHS submitted the SPA to HCFA and it was approved November 2, 1992. The following summarizes the changes proposed in the SPA and identifies areas where counties should begin planning. Once decisions have been made about program format, there will be an urgency to quickly implement the PCO.

BASIC ELIGIBILITY CRITERIA FOR PCO

PCO eligibility will be limited to categorically eligible Medi-Cal recipients (cash assistance recipients) who have a disabling condition that is permanent or chronic in nature and which is expected to persist at least twelve months or end in death. We intend to presume that all recipients who receive SSI/SSP meet this disabling condition requirement. Any other cash assistance recipient who does not qualify for SSI/SSP must be evaluated by a physician and the county to determine whether he/she qualifies based on this disabling condition criteria. The applicant has a qualifying disabling condition if he/she has verified medical or psychiatric diagnosis for a condition which has lasted at least 12 months or is expected to last at least 12 months or end in death and is severe enough to create a mental impairment in memory, orientation and/or judgment such that the sum of the mental function scores equals or exceeds 7, or functional impairment rank of 3 or more in at least one of the following:

- a. mobility inside
- b. bathing and grooming
- c. dressing
- d. bowel, bladder and menstrual
- e. transfer
- f. eating
- g. respiration

IHSS income eligible recipients will not be eligible for funding under the PCO, but will continue to be eligible for IHSS.

NEED CRITERIA

Recipients eligible for PCO will be those who require one or more personal care service activities, protective supervision or paramedical services. If the recipient qualifies for PCO funding, all services he/she is authorized to receive will be eligible for medicaid reimbursement. Recipients needing only domestic and/or related services will continue to be eligible for IHSS.

PCO ELIGIBILITY BASED ON RELATIONSHIP OF PROVIDER

Recipients whose provider is a legally responsible relative will not be eligible for funding under the PCO, but will continue to be eligible for IHSS. Legally responsible relatives excluded from PCO funding are the recipient's spouse when the recipient is legally married and the recipient's parent (by birth or adoption) when the recipient is an unemancipated minor (under the age of 18).

PHYSICIAN'S CERTIFICATION

The case files of those recipients eligible for PCO reimbursement must have a statement of medical necessity for personal care signed by a physician. Physician recertification must occur annually.

In preparation for potential retroactive Title XIX claiming for the period following DOF approval of the statewide program, counties may want to identify records of those clients who are likely to be funded by PCO funds which have a current medical certification form. Qualifying medical certification forms must be less than 12 months old and must recommend personal care. SOC 321s which authorize paramedical services will also meet this requirement if the form was completed within the last 12 months.

If the county chooses to solicit medical reports from physicians documenting medical necessity, forms could be sent through recipients to their doctors where needed. At county option, the physician certification might be done by the recipient's treating physician or another physician who has reviewed the necessary paperwork.

County IHSS staff will continue to use the Uniformity assessment criteria and apply IHSS regulations and standards in assessing recipient needs for PCO and authorizing services.

NURSE SUPERVISION

HCFA requires that the PCO services be supervised by registered nurses (RNs). The RN supervises the plan of treatment and, periodically, must visit each PCO recipient to monitor the recipient's condition and the effectiveness of PCO services. Nursing supervision must be available in order for a county to transition cases to PCO.

CDSS intends that counties have maximum flexibility in determining how the nursing supervision will be available to the caseload. The county may hire RNs as CWD staff, may arrange for nursing supervision through an interagency agreement with the county Health Department or may contract or otherwise arrange for the nursing supervision through contracts with an agency or individual(s).

MODE SELECTION

We anticipate that all current mode choices will be allowable within the PCO. In addition, county authorities and consortia described in SB 485 will be options available to counties. Counties are encouraged to seek flexible and creative program solutions which maximize program effectiveness and cost efficiencies. Enhancements to the IHSS Case Management Information and Payrolling System (CMIPS) are contemplated, in order to facilitate monitoring of the homemaker services mode.

PROVIDER QUALIFICATIONS

All providers of PCO services must be enrolled as Medi-Cal providers. The employer of providers, in all modes other than the IP mode, will be enrolled and will be required to sign documents acknowledging federal requirements and must keep adequate audit trail for federal review. Instructions will be issued which define "adequate audit trail."

Individual provider enrollment will probably be supported by CMIPS. At a minimum, IPs must demonstrate competence to perform authorized PCO services to be eligible for enrollment as a PCO-IP. All IPs providing IHSS at the time of conversion to PCO or within 30 days of a county's conversion will be considered grandfathered-in as competent to be enrolled providers. Thereafter, recipients or persons legally authorized to act on behalf of recipients, will attest to the IP's competence. However, the county shall intervene in the event that the recipient has been neglected or abused by the action or inaction of the provider. IPs will be required to sign a statement of vendor compliance and recertification with each timesheet which acknowledge that the IP is subject to federal audit. Camera-ready copies of these forms will be available to counties as soon as administratively feasible so that counties can get a head start in enrolling providers if they choose.

ADMINISTRATIVE PROCEDURES

We intend to work with counties to develop a system which is flexible in allowing for a variety of county operational configurations while processing all the federally required data elements through CMIPS in support of the Medi-Cal computer system (MMIS). Our goal is to have the differentiation between IHSS and PCO virtually invisible at the delivery level.

The county will continue to be required to keep track of units of services authorized and provided. The SPA defines a "unit of service" as an hour of service.

CWDA INVOLVEMENT

We are developing procedures, drafting regulations and forms and we believe that county involvement in every phase of that planning is essential to make the process optimally operational. We will share drafts with CWDA Adult Services, Fiscal and EDP Committees and Adult Services Regional Committees and request CWDA to delegate representatives state staff can contact for expedited review and advice.

FISCAL CLAIMING

Time study and claim instructions will be developed in conjunction with the CWDA PCO workgroup(s). Upon completion of the PCO design, time study and claim instructions will be transmitted to counties in a County Fiscal Letter. Questions regarding time study and fiscal claiming should be directed to the Fiscal Policy and Procedures Bureau, at (916) 657-3440.

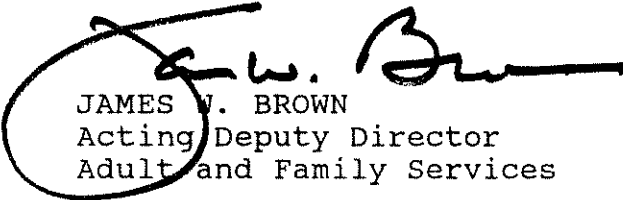
RESTORATION OF CUTS

AB 1773 specifies that once DOF has determined that the additional FFP generated by PCO is sufficient to cover state and county cost of fully funding the IHSS and PCO programs, that CDSS will authorize restoring services reduced by SB 485. That restoration will be generated automatically by CMIPS.

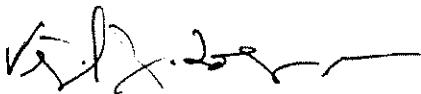
TRAINING

Adult Services staff plan to conduct statewide training on the implementation of PCO prior to implementation.

Questions about this letter or issues about PCO or other changes included in AB 1773 should be directed to Mr. Robert A. Barton at (916) 657-2143.



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cc: CWDA